

RHODE ISLAND COMMERCE CORPORATION

AGENDA

March 4, 2022

Call to order and opening remarks.

Tab 1: To consider for approval meeting minutes.

Tab 2: To consider the delegation of authority to staff to enter into subawards and/or retain vendors for the RI Rebounds Initiative.

Tab 3: To consider the retention of media buying, tourism advertising, and public relations vendors.

Tab 4: To consider the utilization of the Corporation's incentive programs for the investment of public funds.*

*Board members may convene in Executive Session pursuant to R.I. Gen. Laws § 42-46-5(a)(7) to consider this Agenda item.

TAB 1

VOTE OF THE BOARD OF DIRECTORS
OF THE RHODE ISLAND COMMERCE CORPORATION

MARCH 4, 2022

APPROVED

VOTED: To approve the public session meeting minutes for the January 24, 2022 meeting as presented to the Board.

RHODE ISLAND COMMERCE CORPORATION
MEETING OF DIRECTORS
PUBLIC SESSION
January 24, 2022

The Board of Directors of the Rhode Island Commerce Corporation (the “Corporation”) met on January 24, 2022, in Public Session, beginning at 4:30 p.m., pursuant to the public notice of meeting, a copy of which is attached hereto as **Exhibit A**, as required by applicable Rhode Island law.

The following Directors were present and participated throughout the meeting as indicated: Governor Daniel J. McKee, David Chenevert, Dr. Brenda Dann-Messier, Michael McNally, Donna Sams, Bill Stone, and Karl Wadensten.

Directors absent were: Bernard Buonanno, III, Mary Jo Kaplan, George Nee, and Vanessa Toledo-Vickers.

Also present were: Secretary of Commerce Stefan Pryor; Jesse Saglio, President & COO; and Christopher J. Fragomeni, Esq.

1. **CALL TO ORDER AND OPENING REMARKS.**

The Governor called the meeting to order at 4:34 p.m., indicating that a quorum was present.

2. **TO CONSIDER FOR APPROVAL MEETING MINUTES.**

Upon motion duly made by Dr. Dann-Messier and seconded by Mr. Wadensten, the following vote was adopted:

VOTED: To approve the public session meeting minutes for the January 14, 2022 meeting as presented to the Board.

Voting in favor of the foregoing were: David Chenevert, Dr. Brenda Dann-Messier, Michael McNally, Donna Sams, Bill Stone, and Karl Wadensten.

Voting against the foregoing were: none.

3. **UPDATE ON THE STATE BUDGET.**

Secretary Pryor gave an overview of the Governor’s proposed fiscal 2023 state budget and discussed the PowerPoint presentation attached hereto as **Exhibit B**. He noted that the proposed budget does not include any broad-based tax increases, and, instead, supports tax relief and tax reform programs. He also noted that the proposed budget includes major investments in bioscience, the blue economy, housing, and other areas to support the economy. Secretary Pryor stated that the proposed budget also creates funding for a minority business support initiative and

several of the Corporation’s programs, such as the Qualified Jobs Tax Credit Program, the Rebuild Rhode Island Tax Credit Program, the Small Business Assistance Program, Wavemaker Fellowship Program, the Air Service Development Fund, and the SupplyRI program, all of which are proposed to be extended through the end of 2023.

Secretary Pryor discussed the proposed budget’s funding of housing initiatives. Dr. Dann-Messier and Secretary Pryor discussed funding for reentry housing from those leaving correctional facilities.

Secretary Pryor stated that the proposed budget contains \$70 million for blue economy bioscience investments to develop a smart bay, having institutions pilot and pioneer ocean-related technologies and increased supply chain production, like sea food processing. That investment, he stated, will assist the State in attracting additional federal funding. He also discussed the \$30 million in the budget for bioscience investments, including a new Department of Health laboratory that may include wet lab and commercial space to support research and development and manufacturing. Secretary Pryor also discussed the \$95 million in the proposed budget for the Port of Davisville and South Quay and the \$46 million in the budget for Point Judith infrastructure improvements.

Secretary Pryor discussed the proposed small business initiatives, including bolstering non-profits and intermediaries to create stronger networks, and tax and regulatory reforms, including lowering the corporate minimum tax, reducing the tax delinquency interest rate, and allowing municipalities to exempt certain property from tangible taxes.

Mr. McNally indicated that the State must support the University of Rhode Island (“URI”) if it is going to invest in the blue economy and bioscience. Secretary Pryor agreed, noting that the Governor has proposed \$50 million for a renovation of URI’s bay campus. The Governor stated that the RI2030 report recommended investment in the campus and that he expects it to grow. In response to a question by Mr. Buonanno, Secretary Pryor stated that the Anchor Institution Tax Credit and Cluster Grant Programs’ sunsets were not extended in the proposed budget. Secretary Pryor and Mr. Buonanno discussed funding venture capital programs.

4. UPDATE ON BROADBAND INVESTMENTS AND EFFORTS.

Daniela Fairchild, the Corporation’s Director of Operations and Special Projects, indicated that an amendment to this year’s budget included funding for broadband initiatives. She noted the importance of broadband in the State, and discussed the PowerPoint presentation attached hereto as **Exhibit C**. She also discussed fiberoptics spread through the State, noting that forty-five percent of the State’s population live in census blocks that receive below broadband minimum requirements. She described the three areas of funding for broadband initiatives, including \$500,000 from state fiscal recovery funds and \$25 million in capital projects funds. Ms. Fairchild and Dr. Dann-Messier discussed digital equity in the State’s state-wide plan and mapping efforts and broadband access in the State’s correctional facilities. Mr. Wadensten noted the importance of tourists being able to connect to broadband anywhere while visiting the State.

5. **TO CONSIDER APPROVAL OF THE CORPORATION'S ANNUAL BUDGET.**

Mr. Saglio recounted that on the Board's first reading of Corporation's budget, the Board authorized a subcommittee of the Board to further review the budget. Since then, he stated, the Corporation's Audit Committee was expanded to include Dr. Dann-Messier, Mr. Chenevert, and Mr. Nee, who reviewed the budget and voted to recommend its approval to the Board. Justin Medeiros, the Corporation's Chief Financial Officer, stated that the only material difference in the budget since the Board reviewed it last was an approximately \$5 million increase for State Small Business Credit Initiative program, as a result of additional funding made available by the US Treasury.

Upon motion duly made by Ms. Sams and seconded by Dr. Dann-Messier, the following vote was adopted:

VOTED: To approve the Corporation's annual budget pursuant to the resolution submitted to the Board.

Voting in favor of the foregoing were: David Chenevert, Dr. Brenda Dann-Messier, Michael McNally, Donna Sams, Bill Stone, and Karl Wadensten.

Voting against the foregoing were: none.

A copy of the resolution is attached hereto as **Exhibit D.**

There being no further business in Public Session, the meeting was adjourned by unanimous consent at 5:38 p.m. upon motion made by Dr. Dann-Messier and seconded by Mr. Chenevert.

JANUARY 24, 2022 PUBLIC SESSION MEETING MINUTES

EXHIBIT A

RHODE ISLAND COMMERCE CORPORATION
PUBLIC NOTICE OF MEETING

A meeting of the Board of Directors of the Rhode Island Commerce Corporation (“Corporation”) will be held on **January 24, 2022** beginning at **4:30 p.m.** via Zoom. Public access to the meeting is available as provided below:

Public access link: <https://us06web.zoom.us/j/82775370161>

One tap mobile: +16468769923,,82775370161# or +13126266799,,82775370161#

Telephone:

+1 646 876 9923 or +1 312 626 6799 or +1 301 715 8592 or +1 669 900 6833 or +1 253 215 8782 or +1 346 248 7799 or +1 408 638 0968

Webinar ID: 827 7537 0161

If technical assistance is needed, contact the Corporation at 401-278-9100.

The meeting will be held for the following purposes:

1. To consider for approval meeting minutes.
2. Update on the State budget.
3. Update on broadband investments and efforts.
4. To consider approval of the Corporation’s annual budget.
5. To consider the utilization of the Corporation’s incentive programs for the investment of public funds.*

*Board members may convene in Executive Session pursuant to R.I. Gen. Laws § 42-46-5(a)(7) to consider the investment of public funds in regards to this Agenda item.

This notice shall be posted at the office of the Corporation, at the State House, and by electronic filing with the Secretary of State’s Office.

Savage Law Partners, LLP,
Counsel to the Corporation

The location is accessible to the handicapped. Those requiring interpreter services for the hearing impaired must notify the Rhode Island Commerce Corporation at 278-9100 forty-eight (48) hours in advance of the meeting. Also, for the hearing impaired, assisted listening devices are available onsite, without notice, at this location.

Dated: January 20, 2022.

JANUARY 24, 2022 PUBLIC SESSION MEETING MINUTES

EXHIBIT B



“The decisions we make this year have the potential to bolster Rhode Island’s economic comeback and propel our state into the next decade with strength.”

- Governor Daniel J. McKee

Outline

- **State Fiscal Recovery Funds**
 - Housing
 - Blue economy, bioscience, and ports to support offshore wind industry
 - Small Business, Impacted Industry & Minority Business Assistance
- **Small business article**
- **Proposes continuing and funding existing Commerce programs**
- **Wavemaker expansion for healthcare workers**
- **Air service development fund**
- **Broadband**

Housing

The Governor calls for the largest share of State Fiscal Recovery Fund funding, a quarter of a billion dollars, to be invested in housing and homelessness assistance

- Invests **\$90M** in project financing to create and preserve about 1,500 units for households earning up to 80% of AMI
- Establishes a **\$25M** grant program to acquire properties to be redeveloped into affordable housing
- Uses **\$20M** to support workforce/moderate-income housing and **\$10M** to increase developers' ability to get projects under way
- Allocates **\$50M** to provide \$17,500 in down payment assistance to households
- Assists individuals and households experiencing homelessness or housing instability by providing **\$26.5M** in enhanced infrastructure and supports

Blue economy, bioscience, and ports

The Governor calls for significant State Fiscal Recovery Fund funding to support long-term economic development, including:

- Blue Economy: **\$70 million** investment in ports and shipping, defense, marine trades, ocean-based renewables, aquaculture and fisheries, and tourism and recreation. Support the development of a Smart Bay platform for developing and testing new technology and the creation of a Blue Technology Innovation Center.
- Bio Science: **\$30 million** to grow Rhode Island's life sciences sector, enabling the state to further establish and grow one of the fastest-growing advanced industries in New England. Funding will support the creation of a shared wet lab space for startups and technology transfer supports.
- Port investments:
 - **\$60.0 million** infrastructure investment in the Port of Davisville to bolster offshore wind opportunities.
 - **\$35.0 million** to South Quay Marine Terminal to finish design activities and develop the waterfront portion of the terminal into a robust marine-industrial facility.

Small Business, Impacted Industry & Minority Business Assistance

The Governor recommends the following initiatives to improve conditions for small businesses:

- Minority Business Support Initiative: **\$10 million** to provide a range of supports and programming, e.g., technical and financial assistance, entrepreneurship training, space for programming and co-working, and access to low-interest loans.
- Financial support to small businesses in a variety of ways including through assistance grants, public health adaptation, outdoor programming, technical assistance: **additional \$13 million**
- Access to capital **\$20 million**
- Targeted assistance to impacted industries such as tourism and hospitality: **\$15.5 million additional**

Small Business Package

The Governor recommends the following initiatives to improve conditions for small businesses:

- Reduces the **corporate minimum tax** to \$375, which will benefit about 65,000 entities
- Allows cities and towns to provide a local tax exemption for **tangible property taxes** on business assets
- Reduces the interest rate for **late payments** on personal and corporate income taxes, bringing Rhode Island in line with its neighbors
- Creates a **taxpayer steward position** within the Division of Taxation
- Eliminates the sunset provision on the sale of **liquor to-go**, allowing restaurants and brewpubs to permanently sell alcoholic beverages with take-out orders
- Allows individuals to use **home kitchens** to make baked goods for retail sale (annual sales capped at \$25,000) – an activity that currently requires the use of a commercial kitchen
- Expands the types of entities eligible for the **Small Business Development Fund**, provides discretion for tax credit awards, and expands the types of taxes against which the tax credits are allowed
- Exempts the **trade-in value of motorcycles** from sales tax

Operating budget highlights

- Proposes to extend sunsets for existing economic development tools through December 2023:
 - Rebuild Rhode Island Tax Credit Program
 - Wavemaker Fellowship Program
 - First Wave Closing Fund
 - I-195 Redevelopment Project Fund
 - Innovation Initiative
 - P-Tech
 - Small Business Assistance Program
 - Main Street RI Streetscape Improvement Fund
 - Air Service Development Fund
 - Rhode Island Tax Increment Financing Program
 - Tax Stabilization Incentive
 - Rhode Island Qualified Jobs Incentive Program
- **\$0.8 million** to expand Wavemaker Tax Credit program for healthcare workers to expand the Wavemaker Fellowship program.
- Air service **\$2.25 million** to the Air Service Development Fund will incentivize airlines and cargo services to connect to Rhode Island T.F. Green International Airport, which will increase tourism to the state and benefit multiple sectors.
- **Broadband** article would establish a new broadband advisory council and create statutory authority for a new broadband strategic plan.

Q&A



JANUARY 24, 2022 PUBLIC SESSION MEETING MINUTES

EXHIBIT C



Rhode Island State Broadband Initiative Update

January 24, 2022

**RHODE
ISLAND**
COMMERCE

Why Focus on Broadband?

Ubiquitous need to participate in 21st century education, workforce, and society.

EDUCATION

- **80%** of 8th graders require the internet to complete their homework (pre-pandemic stat)
- Students with in-home internet earn **\$2M** more over their lifetime than those without

WORKFORCE

- **90%** of job applications are online
- An unemployed person with internet in-home gets a new job **7 weeks faster** than one without internet
- **2/3** of the 13M+ jobs created in the US since 2000 require “advanced digital skills”

GOVERNMENT ENGAGEMENT

- Government services increasingly online

BUSINESS OPERATION

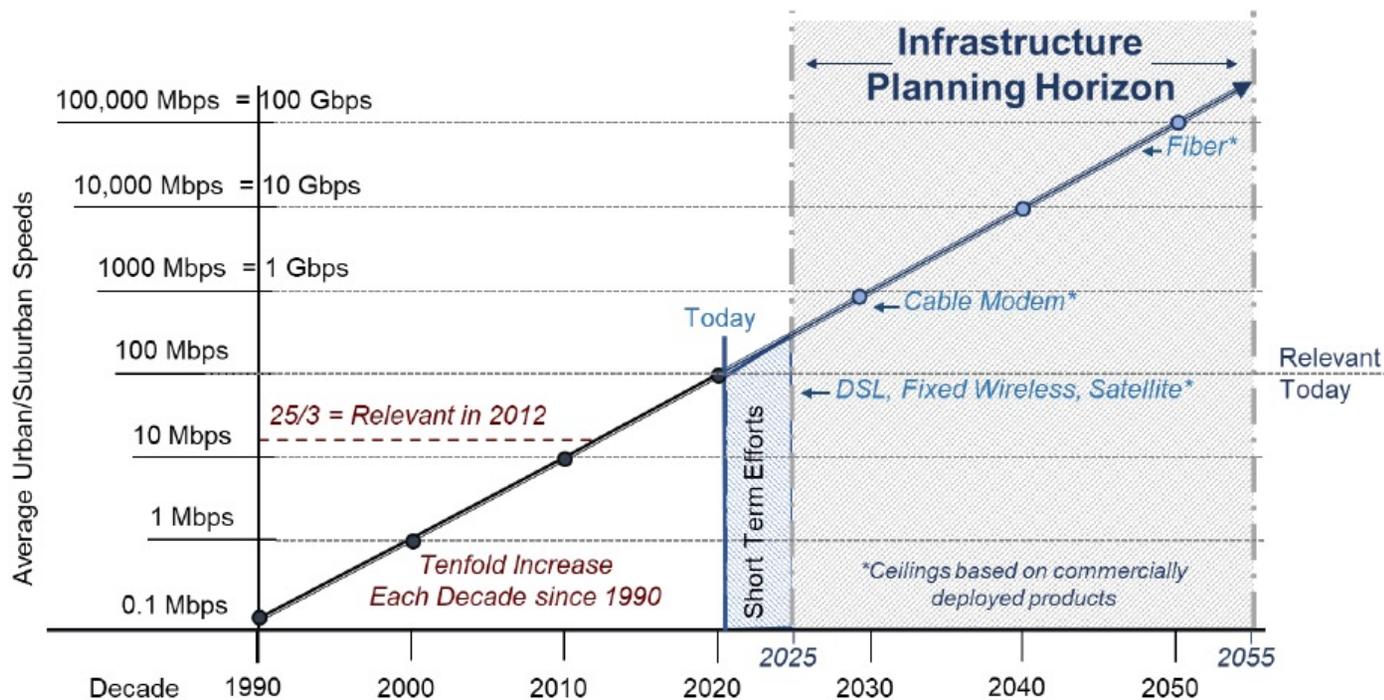
- **500mbps** is needed for a business with 20-30 connected devices

SETTING UP RI FOR LONG-TERM SUCCESS.

- Rhode Island **core growth industries require critical broadband infrastructure**
- Ten percentage point increase in broadband access leads to **five-year economic output growth of \$186B nationally**

The needs underpinning that opportunity are increasing

And increasing exponentially – for residents, small businesses, and government

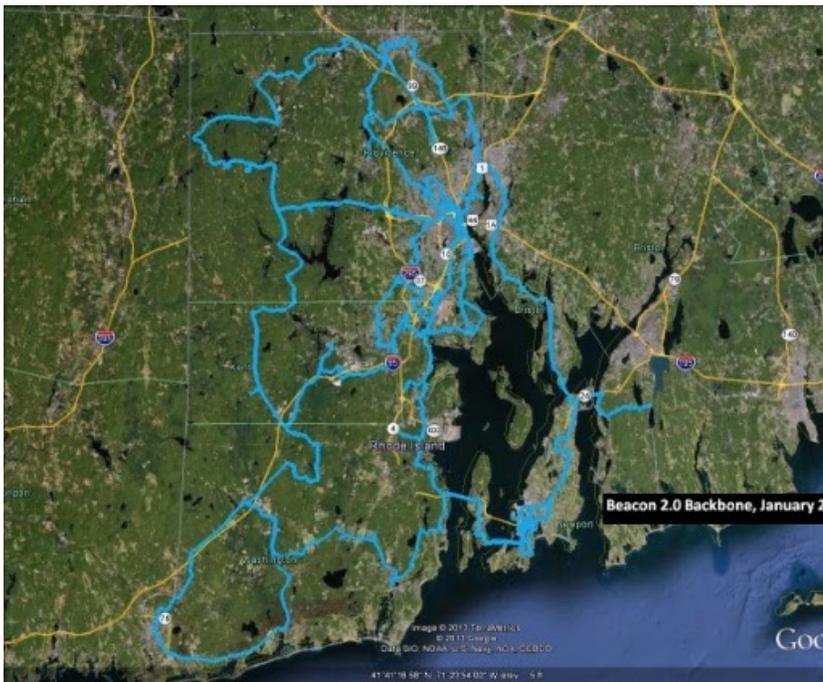


Milestones	WWW Begins	VoIP Created	Zoom Launch	Telehealth Mainstream	Augmented Reality?	Immersive VR

Strong foundation—but still work to do

Fiber backbone runs within 1 mile of 90+% of Rhode Island.

45% of Rhode Islanders live in Census Blocks receiving speeds UNDER the new federal minimum.



Combined Findings Statewide

Unified Speed Rating	Populated Square Miles	Households	
1	< 10/1	2%	3,391
2	>=10/1 < 25/3	3%	7,753
3	>=25/3 < 50/10	9%	38,240
4	>=50/10 < 100/20	36%	141,633
5	>= 100/20 < 200/50	28%	178,326
6	>= 200/50 < 200/200	4%	40,985
7	>= 200/200	2%	12,289



Based on Ookla® Speedtest Intelligence® data from consumer-initiated tests for the period of January 2020 through August 2021

30 September 2021



Federal Funding Opportunities

State-directed funding. Additional ability of municipalities to ARPA funding (inclusive of: state, municipal funding; capital infrastructure; emergency connectivity fund; ESSER; housing)

State Fiscal Recovery Fund:

- \$500,000 “down payment” for broadband in FY22
- Support mapping, set up of office, statewide broadband planning

Capital Project Fund:

- Proposed \$25M in Governor’s FY23 budget
- Focus on broadband internet infrastructure that delivers 100/100 speeds (device access also permitted)

Bipartisan Infrastructure Law:

- \$100M minimum formula allocation to states for broadband infrastructure
 - To be used for local grant program
- \$2.75B Digital Equity Act
 - State planning, implementation
- \$14B Affordable Connectivity Program
 - \$30/month subsidy for qualifying residents

**COMMERCE HAS ALSO LEVERAGED \$1.7M IN CDBG-CV FUNDS FOR BROADBAND EFFORTS TO SUPPORT LMI INDIVIDUALS

Bipartisan Infrastructure Law (BIL)

\$100M minimum for broadband infrastructure to the State (BEAD Program). Additional funds for digital equity, federal broadband subsidy, competitive “middle mile” & innovative/next-gen projects

Requirements

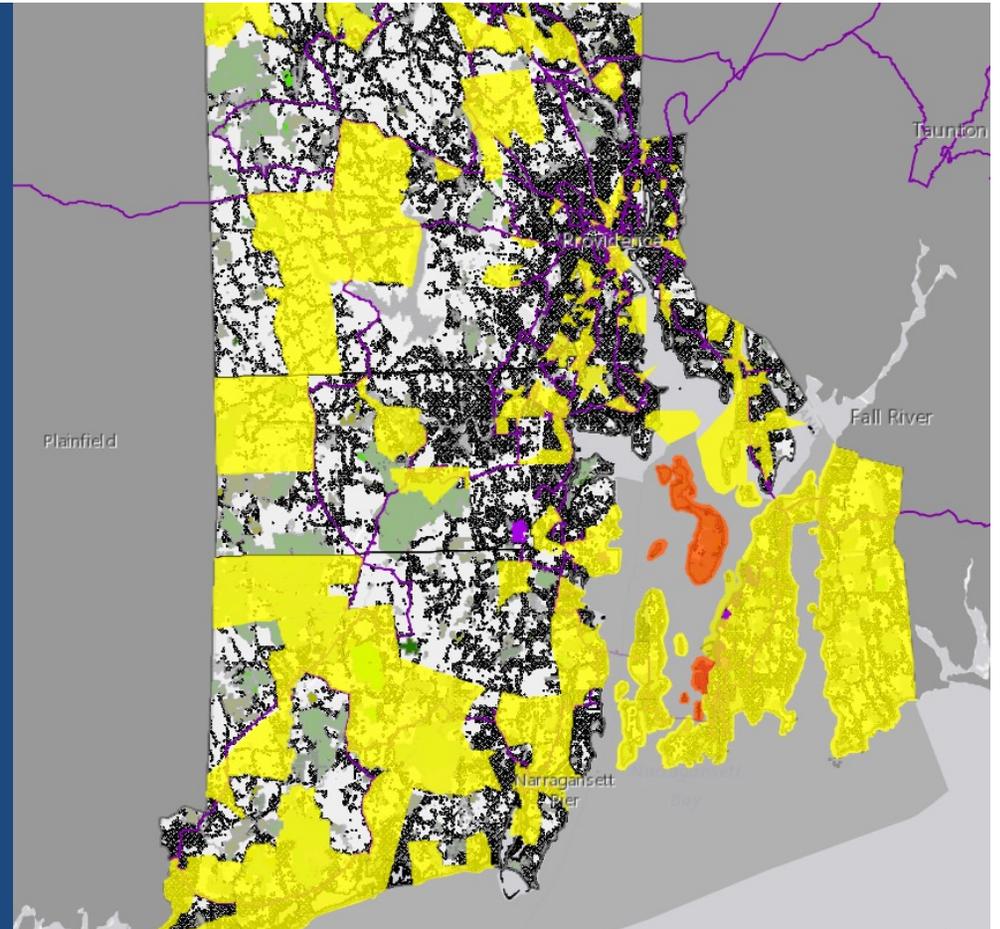
- **Must have a state broadband plan to access**
 - High-level strategic plan accesses \$5M
 - Five-year action plan accesses remaining
- Requires 25% local match
 - Can use other federal stimulus funds as match
- To be used for local grant program
 - Focus: 1-Unserved (25/3), 2-Underserved (100/20), 3-Community Anchor Institutions
 - Must include affordable option, prioritize expediency

Timeline

- **May 16, 2022:** National Telecommunications and Information Administration opens portal to access first \$5M of Broadband Equity, Access, and Deployment Program (BEAD)
 - **Strategic plan must be completed to access**
- **Late 2022:** Remaining BEAD funds available & Digital Equity Planning funds available
 - **Action plan must be completed to access**
- **2026:** All BEAD funds must be spent

Will not be easy. But is
the opportunity of a
generation:

More than 5x the
amount of money ever
deployed by the feds
in RI for broadband



JANUARY 24, 2022 PUBLIC SESSION MEETING MINUTES

EXHIBIT D

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE RHODE ISLAND COMMERCE CORPORATION**

January 24, 2022

WHEREAS: The Rhode Island Commerce Corporation (“Corporation”) Board of Directors (the “Board”) received a presentation in regard to the annual budget (the “Budget”) for the 2022 fiscal year; and

WHEREAS: The staff of the Corporation has recommended approval of the Budget by the Board.

NOW, THEREFORE, acting by and through its Board, the Corporation hereby resolves as follows:

RESOLVED:

Section 1: The Budget is approved as presented to the Board of the Corporation.

Section 2: Any two of the Authorized Officers (hereinafter defined) acting jointly shall have the authority to reallocate up to ten percent (10%) from any general category of expense to another without the need for further Board approval.

Section 3: The Authorized Officers hereunder are the Chair, Vice Chair, Chief Executive Officer, President and Chief Operating Officer and the Chief Financial Officer who are hereby authorized to take any and all actions deemed necessary or appropriate to carry out the provisions of this Resolution and to execute any and all documents deemed by such Authorized Officers as necessary or appropriate.

Section 4: This Resolution shall take effect upon adoption by the Board.

TAB 2

VOTE OF THE BOARD OF DIRECTORS
OF THE RHODE ISLAND COMMERCE CORPORATION

MARCH 4, 2022

APPROVED

VOTED: To approve the delegation of authority to staff to enter into subawards and/or retain vendors for the RI Rebounds Initiative pursuant to the resolution submitted to the Board.

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE RHODE ISLAND COMMERCE CORPORATION**

March 4, 2022

**(With Respect to Delegation of Authority for Selection of Subawards and Vendors for the
RI Rebounds Initiative)**

WHEREAS, the Board of the Rhode Island Commerce Corporation (the “Corporation”) previously approved the implementation of the RI Rebounds Initiative, including the Placemaking and the Take it Outside programs (“Programs”);

WHEREAS, the Board has received a presentation from staff, requesting that the Board delegate authority to the staff to enter into subawards and/or retain vendors (“Subawardees/Vendors”) for the Programs.

NOW, THEREFORE, be it resolved by the Corporation as follows:

Section 1: Any of the Chairperson, Vice Chairperson, Secretary of Commerce, President and COO, Chief Financial Officer and/or Chief Marketing Officer, acting singly, shall have the authority to negotiate and execute any and all documents in connection with the retention of or awards to Subawardees/Vendors for the Programs consistent with the Board’s prior approval of the establishment and implementation of the RI Rebounds Initiative.

Section 2: This Resolution shall take effect immediately upon passage.

TAB 3

VOTE OF THE BOARD OF DIRECTORS
OF THE RHODE ISLAND COMMERCE CORPORATION

MARCH 4, 2022

APPROVED

VOTED: To approve the retention of media buying, tourism advertising, and public relations vendors pursuant to the resolution submitted to the Board.

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE RHODE ISLAND COMMERCE CORPORATION**

March 4, 2022

(With Respect to Media Buying, Tourism Advertising, and Public Relations)

WHEREAS, the Board of the Rhode Island Commerce Corporation (the “Corporation”) received a presentation and recommendation from staff for the selection of vendors to perform media buying, tourism advertising, and public relations services.

NOW, THEREFORE, be it resolved by the Corporation as follows:

Section 1: Any of the Chairperson, Vice Chairperson, Secretary of Commerce, President and COO, Chief Financial Officer and/or Chief Marketing Officer, acting singly, shall have the authority to negotiate and execute any and all documents in connection with the retention of the each of the following vendors for the services as presented to the Board of the Corporation for a term of one year. Below are the maximum annual expenditures approved for the identified vendors:

Firm	Annual Maximum
Zimmerman Agency	\$1,185,000
The RDW Group, Inc.	\$2,250,000

Section 2: This Resolution shall take effect immediately upon passage.

TAB 4